United States
Department of Agriculture

Foreign Agricultural Service

November 1986

# Foreign Agriculture

## The World Is Nuts Over U.S. Peanuts

# Marketing News

**Cooperators Hold Latin American Marketing Seminar**

The **U.S. Feed Grains Council, U.S. Wheat Associates** and the **American Soybean Association** recently cosponsored their first Latin American Grain Conference in Caracas, Venezuela. The conference gave Central and South American grain buyers and government officials some insight into the workings of the U.S. grain marketing system. It also provided U.S. participants with an opportunity to assess promising areas for follow-up initiatives by the Council.

Participants from 14 Latin American countries discussed a number of topics, including grain marketing principles, futures purchasing, U.S. export credit programs, Federal Grain Inspection Service quality monitoring and certification procedures and grain quality.

**First Embryo Transfer Seminar Held in Mexico**

An international embryo transfer seminar and collection/implant demonstration, the first of its kind, was held in Queretaro, Mexico last spring. The event was jointly sponsored by the office of the U.S. agricultural counselor in Mexico City, the **Holstein-Friesian Association of America (HFA)** and a prominent Mexican dairyman. The seminar included training on embryo transfer procedures, implanting 10 frozen U.S. embryos of high genetic quality and identification of the need for and interest in future training in embryo transfer.

**Soybean Association Hosts Successful Shrimp Seminar**

Last summer, the **American Soybean Association** and the U.S. agricultural attache in the Dominican Republic sponsored a seminar on production of shrimp and prawns. The 125 participants included industry representatives interested in developing and expanding the Dominican Republic's shrimp and prawn industries. Development of these industries could increase the demand for soybean meal—a potentially important feed ingredient in the aquaculture industry.

According to the Association, the opportunities for increasing the use of feed for shrimp farming, and consequently the demand for soybean meal in the Dominican Republic are significant. Lack of financing and technical expertise are the main constraints. The large turnout at the seminar indicates great interest in developing the country's aquaculture sector. As this infant industry begins to grow, market development initiatives will be of even greater significance.

In 1985, 32 shrimp farms were operating in the Dominican Republic, representing a total area of 65 hectares. Fresh water shrimp production in 1985 was estimated at 248 tons, valued at $3 million. Production of marine shrimp in 1985 totaled approximately 83 tons from an area of 41 hectares.

**Processed Foods Guidebook Available From Japan**

Japan's **Ministry of Agriculture, Forestry and Fisheries (MAFF)** has released the "Guidebook of Japanese Agricultural Standards for Foreign Business" dealing with processed foods. The guidebook, written in English, outlines MAFF's new procedures for approving foreign processing plants to use the Japan Agricultural Standard (JAS) mark for selected products. Under the new system, foreign plants will be able to work with foreign testing systems that have been approved by MAFF to provide data certification under the JAS system. The JAS mark, roughly like the Good Housekeeping Seal, greatly enhances a product's salability in the Japanese market. Copies of the 25-page handbook can be obtained by writing to: Mr. Bessho, Consumers Economy Division, Food and Marketing Bureau, Ministry of Agriculture, Forestry and Fisheries, 1-2-1 Kasumigaseki, Chiyoda-ku, Tikyo 100, Japan.

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# Features

**National Peanut Council Is Nuts About U.S. Export Promotion** 4

The international marketing director of the National Peanut Council of America reviews market development efforts worldwide.

**British Tastes in Meat Are Switching to Poultry** 9

The pattern of British meat consumption is changing gradually from beef and other red meats to poultry.

**Pacific Rim Is Ripe Market for U.S. Horticultural Products** 13

Thanks to changing tastes and less restrictive import laws, countries in the Pacific Rim are fertile ground for U.S. horticultural products.

**Plan Now for Upcoming Trade Events** 16

There's no such thing as being too early for planning participation in international trade exhibits.

**U.K. Marketing Guides Available for Fruits and Nuts** 18

The Agricultural Trade Office in London recently updated several guides for exporters of several fruits and nuts.

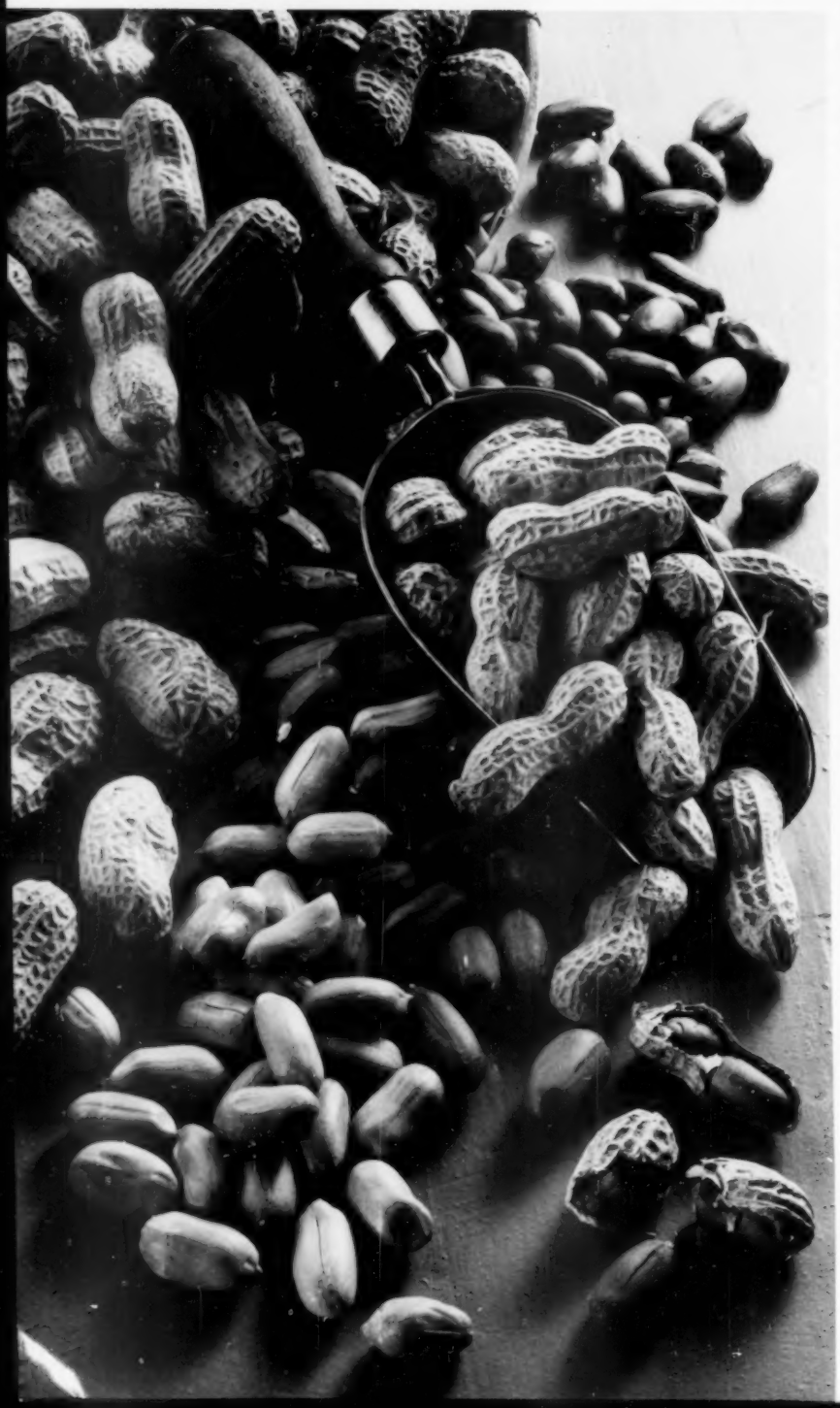
# Departments

**Marketing News** 2

**Fact File:** General Agreement on Tariffs and Trade 11

**Country Briefs** 20

# National Peanut Council Is Nuts About U.S. Export Promotion



***By Jeannette H. Anderson***

*Most Americans grow up eating peanut butter and jelly sandwiches or munching hot peanuts at baseball games. But for much of the rest of the world, peanut butter is a mystery and peanuts are grown for cooking oil.*

*The National Peanut Council of America (NPCA) is working to change that by promoting U.S. peanuts and peanut products. This month,* ***Foreign Agriculture*** *talks with Jeannette H. Anderson, international marketing director of the National Peanut Council, about the Council's market development efforts overseas.*

**Q. Can you give us a brief overview of NPCA?**

A. Our export market development program is supported through the contributions of state peanut grower associations in Georgia, Alabama, Florida, North Carolina, Virginia and Texas, as well as sheller associations which represent the Southeast, Virginia-Carolina and Southwest peanut producing areas. In addition, promotional support is received from USDA's Foreign Agricultural Service (FAS).

The Council is guided by an executive committee comprised of all the contributing grower and sheller groups. Headquartered in Washington, D.C., the Council monitors developments in the market which could affect U.S. peanut exports as well as maintains close relations with appropriate government agencies.

Our European office, recently relocated to London, maintains daily contact with the European trade. This office is responsible for monitoring ongoing projects and keeping the international industry aware of developments in the U.S. market. In addition, this office keeps the U.S. peanut industry apprised of the international competitive situation for peanuts.

**Q. What are the goals of the Council's export programs?**

A. The goal of the Peanut Council's export market development program is twofold: to demonstrate the unique role of the United States as a reliable producer and world market supplier of quality peanuts and to encourage the growth of international consumption of peanuts and peanut products.

We do not buy, sell or process peanuts. Our resources are devoted exclusively to international market development efforts on behalf of the membership.

The Council promotes exports of raw edible peanuts. Our markets tend to be developed countries with sophisticated food processing industries. We sell smaller quantities of peanuts that are crushed for oil, but the United States is the major peanut producing country that grows peanuts primarily for the edible market.

Most countries produce their peanuts for vegetable oil; in the United States, oilstock peanuts are those which are not used in manufacturing peanut products, such as salted nuts or peanut butter.

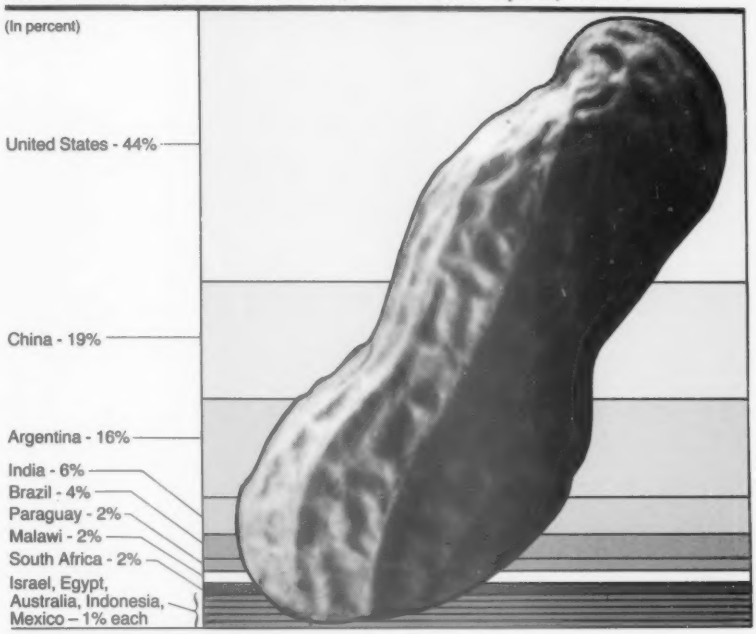
We're trying to produce a higher quality, higher value product, and we find our markets among international nut salters, confectionery users and peanut butter manufacturers.

**Q. Does the Council promote both peanuts and peanut products as well?**

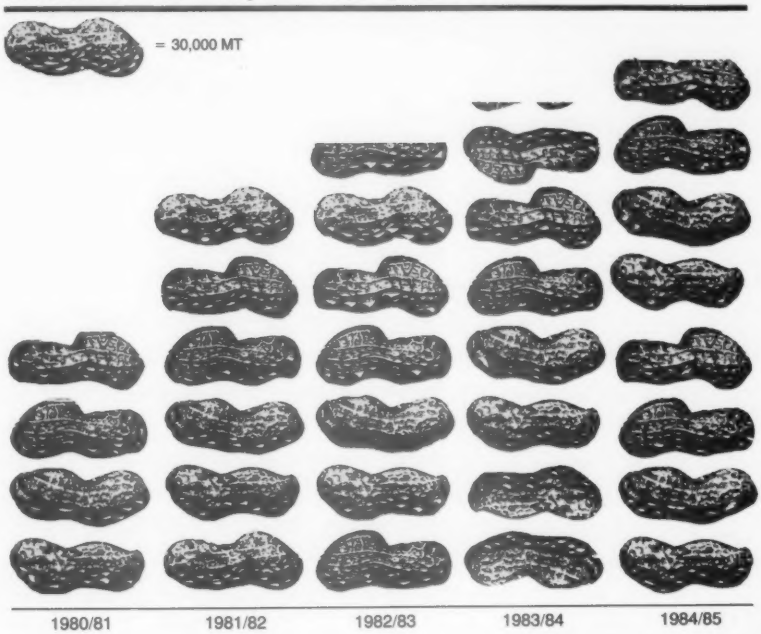
A. Because we're promoting raw peanut exports, our promotional activities overseas focus on expanding markets for all processed peanuts. We are very interested in introducing new peanut products.

For example, since this program has been active, one of the success stories has been the development of dry roasted peanuts in Europe. Until 1979 or 1980, dry roasted peanuts were not very well known in Europe, and we focused a lot of our attention on promoting that new product category.

**United States Leads World In Shelled, Edible Peanut Exports, 1984/85**




**United States Increases Exports of Shelled, Edible Peanuts**



With the increased popularity of honey roasted peanuts in the United States, we have begun several projects to try and introduce them overseas.

Unfortunately, peanut butter is still a new product in most of the markets we work in. While peanut butter is popular in Canada and has achieved a fairly significant market share in the United Kingdom, we're trying to launch it in several other European markets.

We are working with peanut processors in several countries to research and develop the peanut butter product that suits the taste preferences of their respective consumers. After all, they have the marketing channels of distribution and, frankly, it is not very economical to ship glass jars of peanut butter across the Atlantic Ocean.

**Q. What is the size of the export market for peanuts?**

A. Typically almost a fourth of the U.S. crop is exported. In 1984/85, U.S. peanut exports totaled 390,000 metric tons on an inshell basis. Domestic consumption has certainly increased in the past few years, but the export market has been a real success story.

This season's drought in the Southeast will affect us because over 60 percent of our peanuts are grown there. We had a short crop in 1980 because of a drought, but we don't expect a repeat of 1980 since this year's weather conditions have not been quite as extreme.

**Q. What are the largest markets for U.S. peanuts?**

A. Over 90 percent of our exports go to Western Europe, Canada and Japan. These developed countries have consumers with disposable incomes for snack foods. Developing countries in South America, Africa and Asia generally rely on their own indigenous peanut production rather than imports.

Our single largest market has usually alternated between Canada and the United Kingdom. In 1983/84, it was Canada, in 1984/85, the United Kingdom.

This year, the statistics will show the Netherlands as the largest destination for U.S. peanuts, not necessarily because of greatly increased consumption there, but rather because the Dutch port of Rotterdam is the one most widely used by the international peanut industry. Peanuts destined for other European markets are frequently warehoused in Rotterdam.

Also, the Netherlands has a large, well-developed processing industry. Many peanuts are processed there and then shipped to other countries. For example, a number of French supermarket chains with private label peanut brands have their products roasted and packed in the Netherlands and then shipped into France.

**Q. What are some of the international marketing activities of the Peanut Council?**

A. The heart of our program, and where we feel that the long-term potential lies, is working with the major processors—the brand leaders in our largest markets. We have a USA quality logo that many of these processors are beginning to use in packaging and advertising to identify the peanuts as being of U.S. origin.

We emphasize and market our product as being the highest quality peanut available. U.S. peanuts traditionally trade at a higher price than those of other competitors. Therefore, we must market our superior quality.

We've gone to the major markets, we've identified the brand leaders and we've developed cooperative relationships with them. We use our promotional program to introduce new products, to expand marketing activities into new areas, to increase the U.S. market share and to promote overall market growth.

We provide trade and technical servicing with a European regional office in London. We sponsor an annual program of technical seminars in Europe and, more recently, in Canada.

Under these programs, U.S. researchers and technical experts visit the markets and put on seminars geared toward production and resesarch personnel in these processing companies. This gives them an opportunity to ask questions and have the one-on-one contact to bring their technical problems to us.

We also bring the technical, retail and marketing people to the United States to view peanut harvesting techniques and processing methods. In this way, when U.S. peanuts arrive at their companies they know how the peanuts have been handled.

Over the long term, the heart of our program is the establishment of cooperative programs with the major users in our leading markets.

We have found that if the brand leaders begin to identify the U.S. origin on the packages and include that in their marketing efforts, other peanut processing companies will be encouraged to do the same because retail trade and consumers will demand the same quality. In short, if you want the best quality, you want U.S. peanuts.

**Q. Tell me about one of your latest projects, a new French cookbook, *Les Recettes Aux Peanuts D'Hubert.***

A. This is a sophisticated cookbook which features peanut recipes that were developed by a well-known chef and restaurant owner in Paris.

The project was not specifically directed toward consumers but toward food editors, the food and restaurant trade and those in positions to influence consumers. The book was published in two languages and we're using it in France, England and Canada.

We've also received a number of requests for the cookbook from West Germany, the Netherlands and other markets, and are now considering translating it into other languages.

Our objective was to change the image of peanuts in France, where they are thought of as a snack product rather than a recipe ingredient.

Chef Hubert has hosted peanut recipe tastings in his restaurant and in London for food editors. The recipes have been enthusiastically received.

We also are distributing the book through processing companies, which are giving it to their contacts and retail customers. These companies also are utilizing the cookbook as a special consumer promotion or prize in their own promotions. Mainly we want to get it written about in the press so people are aware of it.

**Q. What are some of the biggest obstacles you face in your work?**

A. The biggest problem is the one that all agricultural commodities face—tough competition in the world market. China is our biggest competitor. The Chinese have become more interested in generating hard currency just as they've become more sophisticated in developing their infrastructure.

The Chinese are now the largest producer of peanuts in the world. They produce three and a half times as many peanuts as we do and can therefore be very selective in what is exported.

We have to keep a few steps ahead of them. We can do that through special promotional projects such as the cookbook, through marketing activities with brand leaders, and especially through trade servicing and personal contact—that's something that our competitors aren't in a position to provide.

Our technical seminars are an excellent example of the additional services we provide to customers of U.S. peanuts. We must compete on the basis of service and quality, so we have to keep looking to improve what we provide.

Our technical seminars are an excellent example of the additional services we provide to customers of U.S. peanuts. We must compete on the basis of service and quality, so we have to keep looking to improve what we provide.

Argentina is also a big competitor. Argentine producers and processors are becoming increasingly sophisticated. They've invested a lot of money in processing equipment for their mills. They're also working on expanding their production of different varieties of peanuts.

The challenge is to keep ahead of the competition and try to expand usage. There certainly are opportunities in all markets to expand per capita consumption. I think there are two equally important priorities—we want to expand the per capita consumption of U.S. peanuts and to continue to maintain our share of the markets.

***"I think the United States is going to stay on top because . . . We have a superior product in terms of flavor and taste."***

**Q. Are there any other competitors?**

A. India and Africa, which are large producers, present less competition these days. India, because of its tremendous need for vegetable oil, has had an export quota limiting exports. In Africa, drought and increased migration from farms to the cities and oil fields has cut into production of peanuts.

**Q. What do you do to counter this competition?**

A. We compete strongly on the basis of quality—superior flavor, superior shelf life, reliability of supply, prompt and dependable transport and service to the international industry.

Our marketing program also focuses on service. Our customers know we're here if they've got a problem. They can pick up the phone and speak with the exporter directly. We find that most of the major importers depend on the extra quality and service which they receive from the U.S. industry and are willing to pay a bit more for our peanuts.

Price competition is particularly difficult with China because commodities are traded through centralized government trading organizations which set prices. Chinese peanuts generally are priced below U.S. peanuts in order to move tonnage.

**Q. What do you see as the future for peanut exports?**

A. I think the United States is going to stay on top because of what we have to offer. We have a superior product in terms of flavor and taste. Most important of all, the industry supports ongoing research programs which are seeking improvement in a number of different areas.

We have seen U.S. peanut exports grow during the past five years and we expect this to continue. We are constantly seeking new markets and new product opportunities for the U.S. peanut industry and believe that there are opportunities for market growth in virtually all peanut importing countries.

We work closely with the agricultural counselors and agricultural trade officers around the world. They alert us to problems that come up and we get them involved in finding solutions.

They also assist us in developing our marketing programs. It's an extremely beneficial relationship. This cooperative U.S. government/industry approach to marketing agricultural products has been helpful to our industry and we expect it to continue to serve the U.S. peanut producers in the future. ■

*The author is the international marketing director for the National Peanut Council of America, Alexandria, Va. Tel. (703) 838-9500.*

# British Tastes in Meat Are Switching to Poultry

*By David Evans*

A typical Sunday dinner of roast beef with Yorkshire pudding is gradually being replaced by poultry dishes in Britain. Changing consumer attitudes, particularly those based on health and price, are causing demand for all red meats in the United Kingdom to suffer while pushing up consumption of poultry.

Growing demand, prospects of continuing low grain prices and the emphasis by the health lobby on poultry meat are encouraging further expansion of British chicken production and consumption.

In addition, a hot midsummer boosted the market as demand took off for lighter meals, picnics and barbecues.

**Innovative Marketing Boosts Consumption**

Chicken's versatility and the ingenuity of distributors also are making a significant contribution to consumption.

One large store chain, in particular, has led the way with an ever-widening range of heat-and-serve chicken products, such as chicken tandoori, chicken supreme, cordon bleu, and Provencal-style chicken dishes. The chain's chicken Kiev has made an erstwhile star restaurant dish into a commonplace, everyday meal for anyone within reach of a store.

Even the fast food sector's main advertising thrust currently is on chicken nuggets, rather than hamburgers.

Accordingly, there is a growing trend away from three- to four-pound retail weight whole roast chickens towards pre-cut portions. In general, the whole-bird market is veering toward smaller sizes.

**Poultry Sector Set for Growth**

Given the widening price differential between chicken and other meats, poultry is the one sector of British agriculture that is set for continued growth.

This comes despite the European Community's (EC) Common Agricultural Policy (CAP), which provides fewer incentives and more handicaps (paying more for inputs such as grain) for poultry than most other agricultural sectors.

Protection from imports is provided more by technical and veterinary barriers than by the CAP itself.

**Chicken Imports Are Up**

U.K. chicken imports rose by 55 percent during the first five months of the year, all from within the EC. The current outlook for U.S. exports of poultry (and variety meats) is clouded by a number of technical issues, including the impact of the EC's third-country red meat directive, the growth hormones issue and continuing difficulty for U.S. poultry plants to qualify for eligibility to export to the United Kingdom.

Although chicken imports provide only 5-7 percent of the U.K. market, one of the growth points, corn-fed French chickens, could have longer term implications for the domestic producer and for U.K. cereal growers.

U.K. wheat is the mainstay of U.K. poultry rations, producing a white bird that is dryish in texture.

**Turkey Output Also on the Upswing**

British turkey production is also on the rise. The annual rate of increase in recent years has been about 11 percent. But there are more constraints on a continuation of growth than in the chicken sector, on both the production and consumption sides.

A major problem continues to be the seasonality of demand for turkeys, which inhibits the smooth flow of production and distribution enjoyed by the poultry industry. To minimize the seasonal distortions of production, frozen turkeys account for a much larger portion of the market than do frozen chickens.

Demand for smaller turkeys for the household market is growing, with large birds going to caterers. The main marketing thrust continues to be on 10- to 12-pound birds for holidays. Turkey for the catering and restaurant trade seems the best bet for further expansion.

**Beef Consumption Getting a Hard Knock**

Beef consumption in the United Kingdorn is taking a hard knock form the "healthy eating" lobby and the effects of keen competition from poultry and pork. Very warm weather in June and July, coinciding with the seasonal upturn in U.K. and Irish beef supplies, is already affecting the market, but lower prices are failing to boost consumption.

Even cold weather last winter and spring did not help beef consumption. Meanwhile, the adverse publicity on so-called junk foods has begun to affect the burger sector.

More expensive cuts, such as roasts and steaks, suffer from competition from cheaper pork and poultry. Recent full-page press advertisements by a life insurance company for healthy eating showed as an example of bad nutrition a steak and kidney pie and french fries with the healthy meal's example a leg and breast of chicken and boiled potatoes.

**Price Is a Factor**

Thus far in 1986, beef prices have been consistently, though only moderately, above early 1985, whereas chicken and pork prices have been correspondingly lower than last year.

Demand for beef appears to be increasingly price inelastic except for products at the lower end of the market. Here, however, except for the mince (hamburger) sector, convenience is a limiting factor which increasingly inhibits demand for stewing and other long-cooking cuts. Retail price differentials, therefore, are widening between sirloin, filets, etc. on the one hand and stew beef and mince on the other.

**Pork Recovery Is Slow**

As with beef, the healthy diet lobby is also having its effect on the pork sector. Demand for chops and other grilling cuts and for roasts should remain steady, while the long-term slow decline in bacon consumption will continue as fewer cooked breakfasts are eaten and use of bacon and ham in other forms remains static. A relatively new phenomenon is the health lobby attack on semi-processed pork products such as sausages and pork pies.

A move by consumers away from traditional sausages and pies will seriously affect the market for heavy pigs. The industry is in a cleft stick. It has begun manufacturing all lean pork sausages, which are expensive and lack flavor and the traditional texture. These sausages, in general, do not appeal to the committed sausage eater, who is nevertheless deterred by the health lobby's propaganda.

In the pie sector, the pork fat is used to make the traditional pasty; if vegetable shortening is substituted, the taste and texture change and consumption declines in a market where lard already is out of favor.

**Lamb Consumption Also on the Decline**

Lamb consumption, overall, continues its slow downward slide. Along with other red meats, the diet and health issue is affecting lamb.

In addition, lamb faces a problem of lack of versatility. Large retailers are trying to diversify cuts and presentation, but they tend to be substitutes for other cuts of lamb rather than for poultry or pork. Lamb is also more expensive weight for weight. ■

*The author is an agricultural specialist in the Office of the U.S. Agricultural Counselor, London.*

# Fact File

## The General Agreement on Tariffs and Trade

Since 1948, the General Agreement on Tariffs and Trade (GATT) has been operated both as a forum for trade negotiations and a set of rules to protect concessions and promote fairer trade. Ninety-two countries now belong to the GATT. They account for over four-fifths of world trade.

In September this year, representatives of these countries met in Uruguay to launch a new round of trade negotiations to improve and expand the GATT's rules and to remove unfair trade practices.

Heading up the U.S. delegation is Clayton Yuetter, the U.S. Trade Representative. U.S. agriculture is represented by Secretary Richard E. Lyng. Commerce Secretary Malcolm Baldrige is representing the U.S. industrial sector. The U.S. delegation also has representatives from other federal agencies involved in international trade, as well as private sector advisors representing agricultural, service and labor sectors.

**How GATT Came To Be**

In 1945, the United States and Great Britain proposed the formation of an International Trade Organization (ITO) to oversee a comprehensive agreement on the conduct of policies governing international trade policy, investment, cartels, commodity agreements and economic development. As a complement to the ITO, 23 countries engaged in tariff negotiations with each other and drafted the General Agreement on Tariffs and Trade as a set of rules to protect the value of the concessions agreed.

In the end, only the GATT was approved. It was immediately amended in 1948 to include a number of the principles in the ITO. Other changes, most minor, were added in later years. The GATT now is essentially an agreement that member countries will not discriminate against each other (will grant each other most-favored-nation treatment), that tariffs will generally be the only form of import protection allowed and that tariff levels may be negotiated. Rules to protect tariff concessions include provisions on subsidies and on the exceptional use of import restrictions.

The United States led in the adoption of a rule in 1957 prohibiting the use of export subsidies, but the United States and others would not extend that prohibition to "primary products," including unprocessed agricultural products. Moreover, in order to use Section 232 of the Agricultural Adjustment Act to protect U.S. farm programs, the United States in 1955 asked for a waiver from the GATT obligation not to use import restrictions.

Other countries have also prevented the GATT rules from having an impact on agricultural programs. The European Community (EC), for example, uses variable levies on agricultural imports to raise their prices above domestic support levels. Variable levies were not foreseen when the GATT was drafted, and no agreement has been reached on which GATT obligations, if any, apply to them. The EC also has made aggressive use of export subsidies.

**GATT Countries Begin Round Eight**

The negotiations launched in September are the eighth round since the inception of the GATT. Previous rounds have taken place in 1948, 1949, 1951, 1956, 1960-61, 1964-67, and 1973-79. Negotiations take place in Geneva, Switzerland, where the GATT is headquartered, even though the opening session may be held elsewhere—Tokyo for the "Tokyo Round" and Punta del Este, Uruguay, for the current round.

Early rounds involved tariff cuts only. The 1960-61 "Dillon Round" was complicated by parallel talks to reach agreement on the common external tariff of the new European Community. The "Kennedy Round" from 1964 to 1967 was more ambitious in seeking across-the-board tariff cuts and a solution to the problems posed by the European Community's variable import levies for agricultural products. The most ambitious round to date, the "Tokyo Round," lasted from 1973 to 1979. Again, agriculture was the area of least progress. A number of "Codes" were agreed on to deal more effectively with nontariff policies such as government procurement, product standards and other technical barriers to trade, customs valuation, import licensing and subsidies; but problems peculiar to agriculture were left unaffected.

### U.S. Agricultural Goals in Current Round

While U.S. agricultural exports have benefited significantly from some of the tariff concessions in past negotiations—e.g., the EC commitment to duty-free treatment for soybeans and soybean meal which allowed exports of these products to the EC to grow from close to zero in 1960-61 to over $2 billion in 1985—the United States would like the new round negotiators to tackle a fundamental agricultural problem: isolation of agricultural production from the market.

The United States would like GATT members to agree that a fair trading environment for agricultural products requires all countries to remove agricultural trade barriers and export assistance across the board. Agreement will depend, among other things, on the willingness of each country to provide essential farm income protection in ways that do not prevent adjustment of production and trade to the needs of the market.

### The Groundwork Has Been Laid

The groundwork for the present negotiations was laid by the GATT Committee on Trade in Agriculture (CTA), established in 1982. After a thorough examination of agricultural policies, from commodity price supports and production subsidies to import barriers and export programs, the CTA concluded that negotiations should center on three broad areas:

—All quantitative and related restrictions on imports and exports, including variable levies, state trading and other measures, should be brought under more effective GATT rules.

—All subsidies, including all forms of export assistance, should be brought under more effective GATT rules. In the case of export assistance, two approaches should be developed: either improve existing rules, or develop a general prohibition with carefully drawn exception.

—Plant and animal health regulations and other technical barriers to trade should be subject to improved procedures to minimize their adverse effects on trade.

The U.S. position is aimed at achieving significant movement toward free trade. In the areas identified by the CTA, the United States is seeking commitments to apply no new import barriers and to phase out existing nontariff barriers. It also wants to freeze the present level of export subsidies and phase them out. And it wants greater international harmonization of food, plant and animal health regulations.

In addition, the United States is seeking improvements in the GATT dispute settlement procedures for all products, so that once trading nations have agreed on better rules, there can be assurance that they will be applied consistently and dependably.

# Pacific Rim Is Ripe Market for U.S. Horticultural Products

***By Jonathan P. Gressel***

The Pacific Rim countries[1] took a big bite out of the U.S. horticultural products export market last year, buying $865 million in fruits and vegetables, or approximately one-third of total U.S. horticultural exports.

The region is a strong market for U.S. products, particularly oranges, lemons, grapefruit, apples, table grapes, melons, raisins, prunes, almonds, walnuts, canned and frozen sweet corn, frozen potatoes, wine and a variety of fresh vegetables.

FAS is working closely with organizations representing the U.S. horticultural industry and individual firms within the industry to jointly fund export promotion programs for a wide range of products.

Programs are underway in Pacific Rim countries for the promotion of almonds, apples, avocados, sweet cherries, fresh citrus and citrus juices, canned corn, table grapes, lettuce, papayas, canned peaches and fruit cocktail, frozen potatoes, raisins, walnuts and wine. In general, promotional efforts emphasize the high quality of U.S. fruits, tree nuts and vegetables.

**Market Strength Lies in Growing Demand**

The strength of the horitcultural products market in the Pacific Rim can be attributed to:

—Asian consumer demand for fresh, high-quality fruits, vegetables and tree nuts has contributed to growth in the various markets.

—In addition, the region contains some of the world's fastest growing economies, including Japan, Hong Kong, Singapore, South Korea and Taiwan, which provide a fertile environment for increasing demand.

Malaysia, which has experienced moderate economic growth, and Australia and New Zealand, which buy from the United States in their off season, have become steady markets for the United States over the last several years.

**Japan Is Good Market**

The United States has found a strong market for its horticultural exports in Japan, exporting $493 million there in 1985. Export opportunities will be aided by the declining value of dollar and tax reductions which should spur consumer spending.

After negotiations and pressure from the United States for greater access, Japan lowered some trade barriers which damage U.S. horticultural product export opportunities to this key market.

Negotiations have resulted in larger import quotas on oranges and orange juice, elimination of the import quota for grapefruit juice and the development of phytosanitary procedures which permit the import of a number of products.

Numerous barriers still exist including relatively high tariffs, strict phytosanitary regulations which prevent the import of U.S. apples and other deciduous fruits and, with respect to wine, an excise tax system that discriminates against a high-quality, imported product.

[1]For the purpose of this report, the Pacific Rim countries consist of the countries of East Asia, the Indian subcontinent and Oceania. The eight countries reported on in detail in this article account for $829 million out of $865 million of U.S. horticultural products exported to the region.

The U.S.-Japan Trade Agreement of 1984 has helped to relax several import quotas, especially for fresh citrus and citrus products. In 1985, Japan imported $203 million of fresh U.S. citrus.

Progress also has been made in overcoming some phytosanitary restrictions, as evidenced by the recent Japanese decision to allow the entry of fumigated U.S. in-shell walnuts.

The United States has a strong market in Japan for oranges, grapefruit, lemons, almonds, raisins, prunes, fresh strawberries, kiwifruit, grapefruit juice, grape juice, canned and frozen sweet corn, frozen and dried/dehydrated potatoes, fresh asparagus and wine.

Japan also can be a good market for onions, especially when the storage onion crop on Hokkaido Island is off as it was in 1984.

Many opportunities for export of U.S. horticultural products have been aided by a strong promotional effort which is jointly funded by FAS and industry. The U.S. government is continuing efforts to open this valuable market further through continued negotiations with Japan on a wide variety of products.

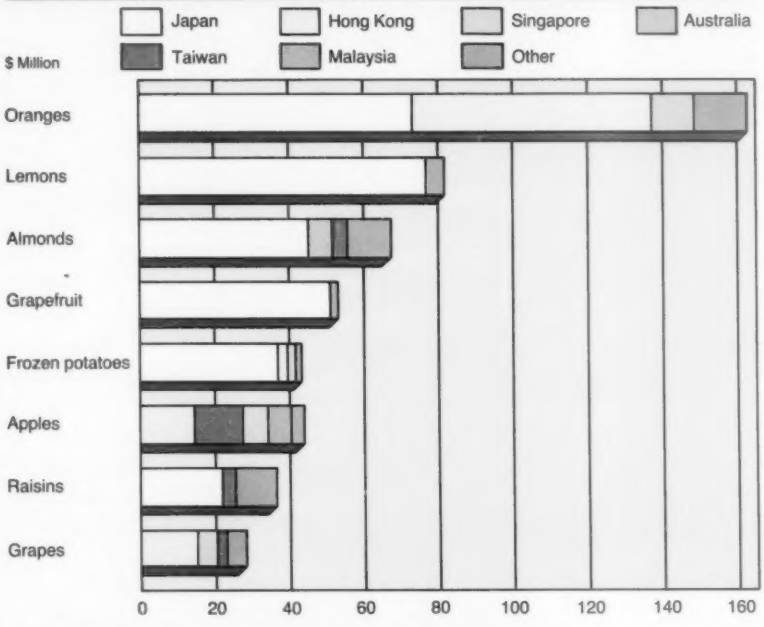
### Hong Kong, Singapore Are Open Markets

Hong Kong and Singapore offer truly open markets for U.S. produce because of their free-trade philosophy and their reliance on food imports.

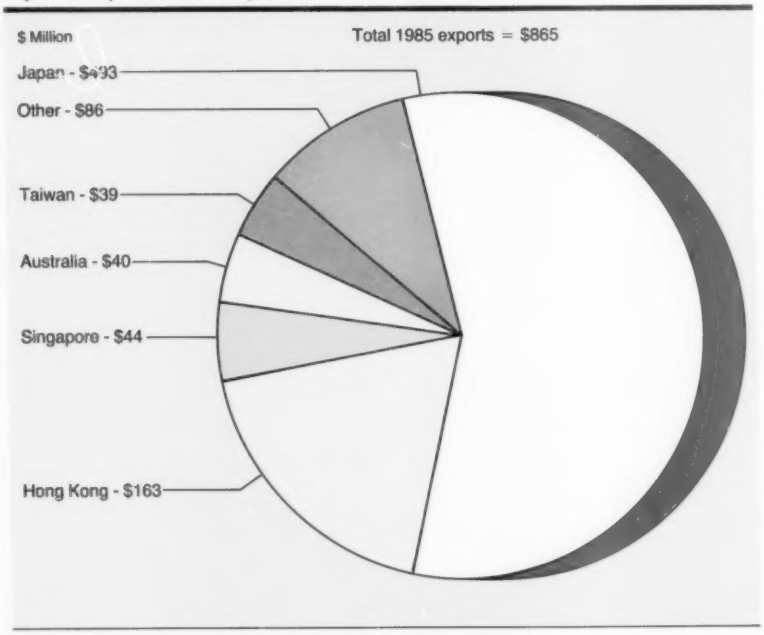
The predominantly Chinese populations in these countries demand high quality in both flavor and appearance. Yet, Hong Kong, through its network of street hawkers, also provides a good market for produce which may have been damaged in transit.

Hong Kong is the second largest U.S. produce market in the Pacific Rim, importing $163 million worth of fruits and vegetables in 1985. Singapore imported $44 million in U.S. horticultural products in 1985.

**Where The Markets Are for U.S. Horticulture in the Pacific Rim**




**Japan Is Top Market for Exports of U.S. Horticulture**



**U.S. Promotion Efforts Target Many Commodities and Markets**

| Commodity | Japan | Hong Kong | Singapore | Australia | Taiwan | Malaysia | South Korea | New Zealand |
|---|---|---|---|---|---|---|---|---|
| Almonds | • | | | | | | • | |
| Apples | | • | • | | • | • | | • |
| Avocados | • | | | | | | | |
| Sweet cherries | • | • | | | • | | | |
| Citrus | • | • | • | • | • | • | • | • |
| Canned corn | • | | | | • | | | |
| Table grapes | • | • | • | | • | • | | |
| Lettuce | | • | | | | | | |
| Papayas | • | | | | | | | |
| Canned fruit | • | • | • | | • | • | | |
| Frozen potatoes | • | • | • | | • | • | | |
| Raisins | • | • | • | | • | • | • | • |
| Walnuts | • | | | • | • | | | |

Hong Kong is a major market for fresh produce, including oranges, apples, grapes, plums, melons, celery, lettuce and tomatoes, but also takes significant amounts of raisins, figs and almonds.

Singapore imports a similar mix of fresh fruits including oranges, grapes, plums and, also, raisins, prunes and almonds.

In addition to importing horticultural products for their own consumption, Hong Kong and Singapore also play a major role in the re-export of goods to other countries in Asia.

A sizable portion of Singapore's imports are transshipped to Malaysia and other neighboring countries. In these markets, U.S. exporters face competition from China, Taiwan, Australia, New Zealand, Chile and South Africa.

**Barriers Limit Exports to Taiwan, South Korea**

Both Taiwan and South Korea have very restricted markets, although Taiwan is the largest offshore market for U.S. apples. Taiwan relies mostly on high tariffs to restrain imports. South Korea has constructed an elaborate import licensing system, as well as severe phytosanitary restrictions, such as those placed on U.S. grapefruit.

Both countries, with their strong, export-oriented economies, offer good opportunities for growth if trade barriers can be lowered.

Taiwan and South Korea imported $39 million and $16 million, respectively, of U.S. horticultural products last year. The major products exported to Taiwan were apples, grapes, frozen concentrated orange juice (FCOJ), oranges, canned cherries, canned sweet corn, raisins, prunes, walnuts and almonds.

Recent negotiations may lead to significant opportunities for increased wine exports to Taiwan. South Korea is a good market for raisins and almonds. However, most processed or high-value agricultural products are highly restricted.

**Malaysian Market Shows Promise**

Malaysia is an emerging market, importing $23 million worth of U.S. horticultural products in 1985. While the affluent Chinese minority provides a good market for a wide range of products, the Malay and Tamil ethnic groups may emerge as the market of the future as their incomes increase.

Malaysia has relatively few trade barriers. It has tried to discourage the practice of importing through Singapore by offering a tariff rebate on goods which enter directly into Malaysia.

Oranges, apples, grapes, raisins and potato chips are leading imports from the United States. Almonds, a relatively small market at $304,000 in 1985, may have growth potential.

**Opportunities in Australia and New Zealand**

Despite highly productive agricultural sectors, Australia and New Zealand provide markets for U.S. horitcultural products during their off seasons and for products which are not produced "down under".

Australia imported $40 million and New Zealand, $12 million, of U.S. horticultural products last year. Almonds, walnuts, oranges, lemons, kiwifruit, raisins, dried prunes, garlic and frozen sweet corn are the major items going to Australia.

New Zealand is a good market for oranges, apples, grapes, raisins, prunes, FCOJ and almonds. U.S. citrus exports to New Zealand may be hurt in the long run by the opening of the market to increased competition from Australian citrus. ■

*The author is with the Horticultural and Tropical Products Division, FAS. Tel. (202) 447-6086.*

# Plan Now for Upcoming Trade Events

***By Philip A. Letarte***

With the recent decline in the value of the dollar on international markets, now is the time to consider introducing your firm's food products overseas.

The Foreign Agricultural Service (FAS) offers a cost-effective service for U.S. firms to explore foreign markets. FAS organizes U.S. national pavilions in major international trade shows throughout the world. A typical U.S. pavilion includes amenities such as individual booths, advance public relations, product shipment and customs clearance for the show. The trade leads and sales are up to you!

Here is some information on a few upcoming trade exhibits that might be of interest to you:

**IFE Is British Exhibit**

FAS will sponsor a U.S. pavilion at the fifth Biennial International Food and Drink Exhibition (IFE '87) on Feb. 1-5, 1987, in London. This exhibit will give 1,200 firms from 42 countries the opportunity to exhibit product lines to more than 43,000 buyers from Europe, the Persian Gulf countries, North Africa and Asia. Buyers will represent import, wholesale, retail, hotel/restaurant and institutional sectors.

For most of these trade shows, space is at a premium and on a first-come, first-served basis. In the words of one trade specialist, "there's no such thing as being too early."

**International Food Show Calendar**

| Exhibit/City | Type | Products | Date |
|---|---|---|---|
| HORECAVA, Amsterdam | International | Food & Beverage | Jan. 5-8, 1987 |
| ISM, Cologne | International | Sweets & Biscuits | Jan. 25-29, 1987 |
| IFE, London | International | Food & Beverage | Feb. 1-5, 1987 |
| SAUDIFOOD '87, Riyadh | International | Food & Non-alcoholic Beverage | Feb. 14-18, 1987 |
| FOODEX, Tokyo | International | Food & Beverage | March 10-14, 1987 |
| NASDA, Seattle | National | Food & Beverage | April 29-May 1, 1987 |
| MIAD, Milan | International | Confectionery/Bakery | May 9-13, 1987 |
| HOFEX, Hong Kong | International | Hotel & Catering | May 26-29, 1987 |
| USIFS, San Francisco | International | Food & Beverage | June 9-11, 1987 |
| DELIVIN, Utrecht | International | Wine & Deli | Sept. 13-15, 1987 |
| ANUGA, Cologne | International | Food & Beverage | Oct. 10-15, 1987 |
| AGCHINA, Beijing | International | Agricultural & Equipment | Nov. 5-11, 1987 |
| ISM, Cologne | International | Sweets & Biscuits | February 1988 |
| MEFEX, Bahrain | International | Food & Equipment | Feb. 27-March 2, 1988 |
| ROKA, Utrecht | International | Food & Beverage | March 1988 |
| ALIMENTARIA, Barcelona | International | Food & Beverage | March 1988 |
| FOODEX, Tokyo | International | Food & Beverage | March 1988 |
| HELFEX, London | International | Health Foods | April 1988 |
| FOODASIA, Singapore | International | Food & Beverage | April 13-16, 1988 |
| Taipei, Taiwan | Solo | Food & Beverage | May 1988 |
| KORFOOD, Seoul | National | Food & Beverage | June 1988 |
| SIAL, Paris | International | Food & Beverage | October 1988 |

Products with good potential for the markets represented at IFE '87 include frozen food, wine and beer, delicatessen and fine food items, beverages, snack and dietetic products (such as syrups, sauces, cookies, snack bars and crackers), health foods, dried and fresh fruits, and new products and/or processes.

The U.S. pavilion at IFE '87 will have 25 booths. For details, contact Willis Collie, AIMS Program, FAS. Tel. (1-800) 327-2467.

**SAUDIFOOD—Important for Mideast Sales**

SAUDIFOOD, to be held Feb. 14-18, 1987, in Riyadh, will be the most important trade-only food show in the Arabian Gulf region. This show attracted more than 400 exhibitors from more than 30 countries last year. Last year's SAUDIFOOD attracted over 5,000 trade-only buyers searching for a wide variety of new product and suppliers. The U.S. pavilion at SAUDIFOOD '87 will feature 30 booths.

**A Show You Can't Afford To Miss—FOODEX in Tokyo**

Exporters interested in the fast-growing Pacific Rim market should mark their calendars for March 10-14, 1987. Those are the dates for FOODEX, the largest annual food and beverage exposition in Asia, which is held at the Harumi Pier in Tokyo.

USDA has reserved 55 booths for the U.S. pavilion at FOODEX. More than 1,000 firms from roughly 20 countries participated in last year's show. More than 120,000 visitors passed through the gates at FOODEX last year. Opportunities exist for sales of a wide variety of products.

For more information on SAUDIFOOD, FOODEX or any of the other exhibits listed below, contact the Processed Food Division, FAS, U.S. Department of Agriculture, Room 4944-S, Washington, D.C. 20250. Tel. (202) 447-3031.

Below is a partial list of some of the largest exhibits, many of which will have FAS participation. ■

*The author is with the Processed Food Division, FAS. Tel. (202) 447-3031.*

# U.K. Marketing Guides Available For Fruits and Nuts

The U.S. agricultural trade office (ATO) in London recently updated six marketing guides for U.S. agricultural exporters interested in the British market for dessert apples, pecans, walnuts, almonds, avocados and mangoes.

Whether you're a new-to-market exporter, or have some experience in the U.K. market, these guides provide valuable information on imports, duties, marketing channels and a partial list of major importers.

The following is a sample of the kind of information available in these market guides:

**U.K. Imports U.S. Red Apples**

The United Kingdom imported roughly three-fourths of the apples it consumed last year. France supplied more than half of the 428,000 metric tons imported.

While most European and Southern Hemisphere apples shipped to the U.K. are gold or green skinned (primarily Golden Delicious and Granny Smiths), the United States exported roughly 10,000 tons of apples to the U.K. last year, primarily of the Red Delicious, McIntosh and Newtown varieties.

The peak marketing period for U.S. apples is December through June, although U.S. apples are available in the United Kingdom all year.

France and other EC apple exporters pay no duty on their apple shipments. Imports from other suppliers, including the United States, are subject to duties ranging from 6 to 14 percent of the c.i.f. U.K. value, depending on the arrival season.

U.S. export efforts for apples recently got a shot in the arm from a Targeted Export Assistance initiative announced this past summer. Under the initiative, $1.4 million is targeted for promotion of Washington State apples in several overseas markets. One of those targeted markets is the United Kingdom.

Most imported fruit is brought in by specialized fruit importers on behalf of major retailers. A few of the major food retailers buy direct from the supplier. At the retail level, fruit is available in supermarkets, department store food halls, greengrocers (fruit and vegetable shops), market stalls and street barrows. Fruit is sold both in loose form and pre-packed.

**Commodity Marketing Boards Give Exports a Push**

All the major U.S. competitors for agricultural sales in the U.K. market (Israel, South Africa, Spain, France, Canada and West Germany, for example) have commodity marketing boards based in London. These promotion boards work very closely with importers and retailers on product marketing and promotion.

These boards also have U.K.-based quality control inspectors who work directly with receivers on any quality, grade or other product discrepancies. Almost all imports are handled by a group of panelists (U.K. importers) chosen by the respective country marketing board. Only these panelists are entitled to import the product.

The country marketing boards work closely with both the panelists and retailers on product promotion. Activities include tailor-made promotions at the retail level, trade and consumer press advertising, TV and radio advertising, solo exhibits and participation in major national and international exhibits.

**Similar Promotion/Handling for Avocados, Mangoes**

The marketing channels for avocados and mangoes in the United Kingdom are similar to those for apples. Once again, marketing boards and panelists figure prominently. Israeli and South African avocados are handled by panelists, while U.S. avocados are handled by any U.K. importer who wants to import them unless the U.S. supplier establishes an exclusive agency relationship with any one importer.

South African and Israeli mangoes are handled by panelists. Mangoes from other suppliers are handled by any U.K. importer, again with the proviso that there is no exclusive contract with any one importer.

Major competitors for U.S. avocados are Israel and South Africa; for mangoes, the field is much wider, including Brazil, Kenya, Israel, Mexico, Guatemala, Mali, South Africa, Haiti and Venezuela.

Import duties for avocados and mangoes are 8 percent and 6 percent, respectively.

**A Trio of Nut Marketing Guides**

Exporters of U.S. almonds, walnuts and pecans will find the U.K. guides for those nuts a handy addition to their marketing portfolios.

The United States is by far the major supplier of almonds to the United Kingdom, providing more than four-fifths (9,500 tons) of the country's imports last year. The United States faces some competition form Spain and Portugal, which are both new EC members. The import duty on almonds from these two countries is being phased out. U.S. almonds have been charged a 7-percent duty; however, this is expected to be reduced in the near future.

The U.S. share of the U.K. walnut market is much smaller, less than one-tenth. China and India dominate the market, supplying roughly two-fifths and one-third of imports, respectively. The United Kingdom is one of the world's largest markets for shelled walnuts, although it is a relatively small market for in-shell product.

U.S. walnuts exports should benefit from a $9-million Targeted Export Assistance program announced for walnut promotion in Western Europe, Taiwan, Australia and Japan.

Pecans are relatively new to British consumers. But already the United States is the largest supplier, accounting for three-fourths of the market. Israel and South Africa are the largest U.S. competitors. The import duty for U.S. and Israeli pecans is 3 percent.

Almonds, walnuts and pecans are handled by importers/wholesalers, who in turn distribute them to retailers and processors. Similar to fruits, nuts are marketed in supermarkets, department stores and greengrocers.

The above U.K. marketing guides can be obtained by writing or calling:
FAS/Export Programs Division
USDA
Room 4944-South Bldg.
14th & Independence Aves. S.W.
Washington, D.C. 20250
(202) 382-9509 or 447-3031. ■

# Country Briefs

**China**

**China Is Boosting Honey Production**

China ranks second only to the Soviet Union in the production of honey. According to the Chinese press, 6 million bee colonies produced 150,000 tons of honey in 1985. China's target is to have 8 million bee colonies by 1990 with an annual honey output of 180,000 tons.

Increased emphasis on boosting production may be lowering product quality, however. Recent Chinese newspaper articles have urged honey dealers to update processing technology and packaging and to shorten storage and delivery time. Six modern honey processing facilities are under construction. When completed, these plants will have a combined yearly processing capacity of between 10,000 and 30,000 tons.

Honey exports in 1985 reached 54,790 tons, valued at $38.5 million, up from 37,700 tons in 1984. Major markets were Hong Kong, Japan, the United States and Western Europe. This year, exports are expected to climb to nearly 60,000 tons.—*David Schoonover, U.S. Agricultural Counselor, Beijing.*

**France**

**French Hazelnut Output Expected To Swell**

French hazelnut (filbert) production is expected to rise strongly during the next decade due to increases in bearing area resulting from large plantings in recent years. This increase likely will result in stiffer competition for Oregon hazelnuts on the European market.

In 1985, French commercial hazelnut production was 1,200 tons, up 350 tons from 1984. Agri-Noisette, a cooperative in southwestern France, controls most hazelnut production and is the sole French exporter of in-shell hazelnuts. Agri-Noisette produced 1,000 tons of hazelnuts in 1985, compared with 650 tons in 1984. Output handled by the cooperative is forecast to double by 1990 and triple by 1993.

During the past five years, Agri-Noisette has exercised strict control over hazelnut production and marketing in order to lower production costs and become a reliable supplier of high-quality hazelnuts. As a result of these efforts, Agri-Noisette hazelnuts have competed successfully with Italian hazelnuts on the West German market. Three-fourths of Agri-Noisette production are exported—mostly to West Germany—for in-shell consumption during the holiday season in December.—*Ernest Koenig, U.S. Agricultural Counselor, Paris.*

**Korea**

**Leather Imports Continue To Rise**

Korea has emerged as the world's leading importer of hides and skins with imports valued at over $600 million last year. Imports were up 46 percent during the first five months of 1986 and substantial growth is expected to continue over the next several years. Increased export demand for Korean footwear and leather goods has been spurred by a revaluation of the yen and some European currencies.

Finished leather imports also are increasing because the domestic tanning industry has been unable to keep pace with increasing demand despite rapidly expanding capacity. Finished leather imports from Europe have increased, reflecting the fact that more Korean leather goods are being exported to Europe, and consumer preference favors local origin inputs. All this will probably encourage continued expansion of Korea's domestic tanning facilities.

The United States is Korea's principal supplier of hides and skins, but is far behind Japan in supplying finished leather. In order to diversify import sources of hides and skins, the Korean government began to allow imports from South American countries such as Argentina and Uruguay last year. Imports from these nations had been prohibited due to foot-and-mouth disease. However, no significant imports have resulted, due to restrictions by these countries against exporting unprocessed materials. Imports of wet blues are likely to grow in the future since Korean tanneries are facing increasingly more stringent pollution control restrictions.—*LaVerne E. Brabant, U.S. Agricultural Trade Officer, Seoul.*

**India**

**Potential for U.S. Livestock Exports To Increase**

India is a potential market for U.S. high-quality livestock, frozen semen and embryos due to demand for more productive dairy cattle. Although Northern European countries are currently providing a large proportion of India's imports, the United States could successfully penetrate this market through the collective efforts of U.S. cattle breeding organizations.

Interest in imports of U.S. Holstein and Jersey cattle for commercial development has been generated recently by the low prices offered under the Dairy Termination Program. Herds of non-traditional breeds, such as Holstein-Friesian, Jersey and Brown Swiss, are maintained on Indian farms for production of bulls with high genetic merit. Market development activities needed include technical assistance and training programs, joint cattle breeding projects and possible donations of registered superior cattle for demonstration purposes. The Indian government also is increasing its emphasis on improved fodder practices, which could generate interest in U.S. cattle imports. This could create an opportunity for U.S. firms to work with Indian organizations to establish a large cattle and fodder farm.

India is importing semen to eliminate the need for a high proportion of non-traditional breeds of bulls and to provide easy servicing of India's large population of dairy cattle. Artificial insemination techniques are being refined with the help of various foreign assistance programs. The National Dairy Development Board has been successful in its efforts to use artificial insemination to improve dairy cattle quality. Although some research is underway in embryo transfer, currently there is only minimal interest in embryo imports.—*Garth Thorburn, U.S. Agricultural Counselor, New Delhi.*

**Malaysia**

**Sluggish Economic Growth Hurts Wheat and Flour Market**

The Malaysian wheat and flour market, which had been enjoying an average annual growth rate of 6-7 percent, is expected to decline this year due to the sluggish economy and an anticipated drop in wheat consumption.

According to flour millers, sales of biscuits suffered a decline for the second consecutive year and the demand for bread flour remains low. However, there has been a strong rise in the demand for buns from the fast-food sector and another bright spot is in the noodle industry, which accounts for 50 percent of the flour market.

Competition in the Malaysian flour market should remain strong as a fifth flour mill becomes operational during the last quarter of 1986. All major millers have been forced to reduce flour prices by giving generous rebates and—because of the sluggish economy—are having problems with debt collection resulting in curtailed credit and a negative impact on sales.

Competition between Argentina, Australia and the United States for the Malaysian flour market has been great and further changes are likely with more competitive U.S. wheat prices. Although imports have been declining, some future increase is possible as consumption is expected to improve in the coming year to at least the 1984/85 level. Prospects for U.S. wheat exports depend on the availability and price of Argentine wheat and the possible further deterioration of the Australian market share.—*Frank Tarrant, U.S. Agricultural Attache, Kuala Lumpur.*

**Soviet Union**

**Over-Quota Farms To Receive Rewards**

The Soviet agricultural newspaper "Sel'Skaya Zhizn" recently reported that Gosagroprom—the new, all encompassing organization responsible for the entire agro-industrial sector of the USSR—will reward farms that overfill their quota of grain and pulse production. The bonus grants these farms the right to purchase additional trucks, tractors and hard-to-find materials, such as cement and lumber.

The announcement came when the harvest was already underway, so little can be done at this point to boost production. However, it will help ensure that outstanding farms have access to equipment next year. Soviet farms are divided geographically into groups according to overall cropping conditions. Farms in Group I—considered the Virgin Lands—can buy an extra Kamaz-55102 truck in return for each 700 tons of grain produced over the quota. Group II farms in the Black Soils and high-yielding areas can purchase the same truck in return for each 500 tons of grain. Group III farms in the non-Black Soils and other marginal areas are eligible in return for each 200 tons above the quota.

Gosagroprom has also announced a sweepstakes for agricultural sales to the state. The prizes include 2,000 passenger cars and 3,000 buses. All prizes will be awarded in the first quarter of 1987.—*Thomas Hamby, U.S. Agricultural Attache, Moscow.*

**El Salvador**

**Cotton Lint Imports Needed for Textile Production**

El Salvador's domestic textile industry, in anticipation of lower production and reduced domestic availabilities, has solicited licenses to import 3,400 tons of cotton lint. El Salvador has traditionally been a cotton exporter and competitor of the United States in the cotton export market.

Domestic cotton production has declined steadily since 1977/78 and is now on the verge of disappearing. The 1985/86 crop was down 40 percent from the previous year. Consumption has increased continually and now averages approximately 14,000 tons per year. The 1986/87 crop is expected to be smaller because growers have requested licenses to plant only 16,769 hectares—down from 98,000 in 1977/78. Government efforts to revitalize the cotton sector have not been successful because most cotton is grown in conflict areas. In addition, low international prices for cotton lint have reduced profitability.—*Lloyd Harbert, U.S. Assistant Agricultural Attache, Guatemala City.*

**West Germany**

**Consumers Now Prefer Healthier, Natural Foods**

German consumer preferences are changing in favor of healthy, natural and high-quality foods, according to a recent survey of 50 large food caterers by the West German trade publication *Fast Food-Praxis.* The survey is considered indicative of certain changes in consumer tastes which are especially applicable to the hotel, restaurant and institutional food sector.

The caterers surveyed serve 500,000 meals a day. Two-thirds of them said that salads are their best-selling item, particularly when salad bars are offered to consumers. Other foods with an upward trend in demand are vegetables, steaks, potato products and ice cream.

Among beverages, dry wines led the preferred list with nearly two-fifths percent of all respondents noting a strong increase in demand. This was followed by mineral water, fruit juices and champagne. Half of the caterers responded that sales of sweet wines have fallen noticeably. At least part of this change in preference for dry wines can be attributed to the recent Austrian and Italian wine scandals.—*Hilton Settle, U.S. Agricultural Trade Officer, Hamburg.*

**Bulgaria**

**Oilseed, Meal Imports To Be Up This Year**

Bulgarian imports of oilseeds and oilmeal are expected to be up substantially for 1985/86. Soybean meal imports are expected to total 500,000 tons this year, up about 100,000 tons from the previous year. Sales of U.S. oilseeds have benefited from the expanded imports. Purchases of U.S. soybeans for 1985/86 delivery are more than double the previous year's level. Bulgaria has also bought about 50,000 tons of U.S. sunflowerseed, the first imports in many years.

The scorching 1985 drought in Bulgaria is estimated to have reduced oilseed output by 35 percent. Production should rebound this year if weather conditions are normal for the balance of the crop season. With a more normal crop, total oilseed import requirements will not likely be as high this year. The U.S. share of the market should increase, however, as the weaker dollar has made South American oilseeds and meal less competitive.

Although the shortage of hard currency will probably continue to be a major constraint, Bulgaria is committed to expanding its livestock industry. The American Soybean Association has active programs in Bulgaria aimed at both improving livestock nutrition and vegetable oil refining.—*Harlan J. Dirks, U.S. Agricultural Counselor, Belgrade.*

# FAS Circulars: Market Information For Agricultural Exporters

As an agricultural exporter, you need timely, reliable information on changing consumer preferences, needs of foreign buyers, and the supply and demand situation in countries around the world.

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